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15 June 1959

Copy No. C

62

CENTRAL INTELLIGENCE BULLETIN



DOCUMENT NO. 80

NO CHANGE IN CLASS. X

1. DECLASSIFIED

CLASS. CHANGED TO: TS

NEXT REVIEW DATE: 2010

AUTH. NO. 70-2

DATE: 4/19/80

REVIEWER: [Redacted]

State Dept. review completed

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Approved For Release 2002/10/21 : CIA-RDP79T00975A004500300001-8

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OK
India: The three-day-old civil disobedience campaign by opposition parties against the Communist government in Kerala State has resulted in widespread disturbances. Five persons have been killed and many injured in several clashes between police and opposition demonstrators. Increased violence is likely as a result of the intensive agitation planned by Catholic and upper-caste Hindu groups against Communist education policies. Communist offers to compromise probably will not be considered by opposition leaders, who hope that a serious breakdown of law and order may force New Delhi to suspend parliamentary government and invoke direct rule.

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III. THE WEST

OK
France-Yugoslavia: The quick protest of the French government over the joint Yugoslav-Algerian statement of 12 June, proposing French-Algerian negotiations to end the Algerian war, reflects Premier Debré's desire to stress his firm position without being obliged to follow through on his threat to break diplomatic relations with states formally recognizing the rebels' Provisional Algerian Government. While the statement reflected no basic change in the Yugoslav position toward the rebel government, Paris nevertheless regarded it as an "inadmissible intrusion in French affairs."

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OK
France: Premier Debré's decision to draft key workers will probably prevent a serious transportation stoppage in the 8-hour strike all French railroad unions have called for 16 June. The Communist-led General Labor Confederation will take full advantage of the government's action, however, to play up the first large-scale strike collaboration it has been able to achieve with the non-Communist unions since 1953. The government hopes to delay wage hikes until 1960, but, if labor restiveness becomes more serious, it may feel obliged to make some concessions earlier.

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DAILY BRIEF

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OK
Guatemala: A new period of political tension appears in prospect. Maneuvering has begun for the election on 5 July to fill the important office of mayor of the capital, Guatemala City. At the same time, Communists are increasingly active and are planning to instigate student-labor demonstrations on 25 June. There is also a continuing possibility of a coup effort against President Ydigoras by rightists who want to prevent further gains by the Communists and other leftists.
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DAILY BRIEF

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Guinea May Intervene in Portuguese Territory

(Guinea President Sekou Touré plans to "liberate" neighboring Portuguese Guinea by a campaign of propaganda and agitation,

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(Lisbon will not readily abandon Portuguese Guinea because it would fear the effect on other overseas provinces in India and Africa. Portuguese officials have shown growing apprehension over the effect of the Africans' emancipation movement on Portugal's African holdings. Last October after French Guinea became independent the American consul general in Dakar reported that the Portuguese were "literally trembling" at the possible threat this posed to Portuguese Guinea. Lisbon has recently opened three new army installations in Portuguese Guinea although its armed strength there is only about 1,200 African enlisted men led by Portuguese officers.)

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Agitation Against Communist Government in India's
Kerala State

The widespread agitation against the Communist regime in Kerala State, which the local Congress party and other opposition groups opened with a general strike on 12 June, has resulted in continuing disturbances. Five persons were killed and 30 injured on 13 June when Communist-directed police opened fire on a large crowd in northern Kerala. Many opposition volunteers have been arrested following "nonviolent" demonstrations in the capital city of Trivandrum and other centers throughout the state.

Further violence is likely when the intensive agitation planned by the Catholic and Hindu Nair communities against Communist education policies begins on 15 June. These groups have long planned an all-out effort to challenge the Communist government (and apparently have been amassing weapons in anticipation of clashes with Communist security forces.)

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Communist Chief Minister Namboodiripad has offered to compromise with the opposition parties, and he invited Prime Minister Nehru to visit Kerala following Nehru's recent statement that he would go there if it would help resolve the situation peacefully. Anti-Communist leaders in Kerala are unlikely to accept the compromise offer, since they hope that a serious breakdown of law and order will either force the Communists to resign or cause New Delhi to suspend parliamentary government in the state and institute direct rule. If the Communist position deteriorates drastically, party leaders may also conclude that direct President's Rule--with the onus for intervention on New Delhi--is the best way out of an unfavorable situation.

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III. THE WEST

French-Yugoslav Relations Strained Over Algeria

The quick protest Paris made to the joint communiqué issued in Belgrade on 12 June by representatives of Yugoslavia and of the Algerian rebels' provisional government (PAG) indicates that France intends to press strongly its official policy of discouraging other countries from recognizing the rebels. Paris seems to be acting on the basis that the Yugoslav-Algerian statement, which followed a visit to Belgrade by Ferhat Abbas, premier of the PAG, did not imply diplomatic recognition. The Paris press notes that the expression "representatives" for the Yugoslav signatories, may mean the Yugoslav Government need not be directly involved.

Without formal acknowledgment of recognition by Belgrade, Premier Debré may have decided to use this incident to reemphasize the strong public position he and President de Gaulle have taken that relations will be cut with any nation which recognizes the rebels.

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Belgrade has consistently taken a sympathetic attitude toward the rebel government, but so far has refrained from formal recognition. (The French government warned Belgrade in April that such a move could automatically result in a severance of relations.) In recent months, however, the Yugoslavs have given haven to wounded Algerian rebels and have attempted to interject themselves as intermediaries between the Algerian rebels and the De Gaulle government.

Aside from the Algerian issue, relations between Paris and Belgrade have been good, and both sides have concrete reasons, mainly in trade and economic aid, for avoiding a break. Belgrade, however, made a strong official protest on 13 June concerning the detention for three hours the same day of a top Yugoslav trade union official, Misa Pavicevic, on his arrival at Paris airport to attend a French trade union congress.

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French Labor Unrest Increasing

Premier Debré has the authority and the means of enforcing his decision to force key transport workers to remain on their jobs during the 8-hour strike period proclaimed by all the major railroad unions for 16 June. He insists that wage increases now will ruin the economic stability that France is achieving as a result of broad reforms instituted at the beginning of the year.

Labor leaders are increasingly inclined to force his hand. Their bargaining power had been weakened in 1958 by fear of a recession as well as by the general desire to avoid complicating De Gaulle's task. The effect of reduced earnings and reduced purchasing power became apparent in March, however, when widespread local demonstrations and short work stoppages occurred during a "week of action" sponsored by the Christian Workers' Confederation.

As the government's statements on improved financial conditions became more and more optimistic, labor restiveness increased. Workers in the nationalized transport services have been particularly irked because an agreement to bring their wages up to the levels of private industry has been held up for over a year. On 6 May, a 24-hour rail strike brought Parisian suburban traffic to a virtual standstill, and on 1 June a Paris subway strike halted rush-hour traffic.

The Communist-led General Labor Confederation (CGT) has avoided taking the initiative in these demonstrations, but it has joined agitation started by other labor groups. It can now cite a number of instances of unity of action and it will be increasingly difficult for the non-Communist labor leaders to justify their efforts to avoid formal collaboration, particularly if the government holds firm. Increased CGT pressure can be expected, particularly since the French Communist party has been reduced to a handful of deputies in the National Assembly, and has no other legal means of pressing its influence.

There are some signs of private management's willingness to adopt a more flexible wage policy, and the government has indicated that adjustments may be possible by the end of 1959. It seems likely, however, that some concessions beyond the minor family allowances just announced, will be necessary by fall.

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New Period of Political Tension Developing in Guatemala

A new period of political tension appears to be developing in Guatemala. June and July have traditionally been months of political violence there, and this year the situation is complicated by the political maneuvering for the important mayoralty election in the capital on 5 July. In addition, Communists are preparing to instigate student-labor demonstrations on 25 June, the third anniversary of bloody student riots. They could get out of hand, particularly if accompanied by counterdemonstrations by rightists.

[redacted] President Ydigoras, though a skillful political manipulator, appears to be losing political strength. The economic situation is deteriorating and he may again attempt to distract attention from his domestic difficulties, by some move similar to his provocative attack on Mexican fishing boats last December, although this action and earlier threats against neighboring British Honduras only fleetingly served this purpose. Ydigoras' apparent personal grudges against the United States and his failure to obtain additional economic assistance might lead him to attempt to exploit the latent anti-American feeling among many diverse groups in Guatemala.

Ydigoras' efforts to control Communism have been half-hearted, and the Communists have refrained from attacking him in the realization that a successor regime might be less favorable to their present interests. His efforts to curry favor with the increasingly strong non-Communist leftist groups reflect a growing conviction among many Guatemalans that the leftists will inevitably succeed to power in Guatemala. Extreme rightists, alarmed at these trends and thoroughly disillusioned with Ydigoras, may in the coming months, be sufficiently encouraged by Ydigoras' declining strength to implement their long-standing desire to effect a coup. [redacted]

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